



School Finance Advisory Committee

Fiscal Year 2004 - 2005

Minutes

The School Finance Advisory Committee (SFAC) held the first FY05 quarterly meeting on Wednesday, October 27, 2004 at the East Valley Institution of Technology, 1601 W Main Street, Mesa, AZ 85201.

Members Present		Members Absent
Mr. John Arnold	Ms. Linda Proctor-Downing	Dr. Chuck Essigs
Mrs. Patricia Beatty	Dr. Margaret Schrader	Ms. Christy Farley
Mr. Daniel Bigler	Ms. Diane Smith	Ms. Mary Gifford
Mr. Paul Christensen	Ms. Brenda R. Thomas	Ms. AnnMarie Short
Mr. Richard Conrad	Mr. Kevin C. Uden	
Dr. Sally Downey	Mr. John Ushman	
Ms. Karen L. Havird	Dr. L. Dean Webb	
Ms. Kristen Jordison	Tacy Ashby	
Mr. Jay D. Kaprosy	Ruth Solomon	
Ms. Rita Leyva	Art Harding	
Mr. Bill Maas	Vicki Salazar	
Mr. Kevin J. McCarthy	Philip G. Williams	
Mr. Quincy Natay	Lyle Friesen	
Mrs. Karla Phillips	Candace Cooley	
Mr. Kevin Price	Raphaella A. Conner	

Meeting called to order at 1:30 p.m.

Opening Remarks

(Philip) First of all, I'd like to thank Sally Downey and EVIT for hosting us this afternoon. Thank you very much (applause). The Superintendent was scheduled to speak this afternoon, but he had a schedule conflicts and asked me if I would speak in his stead. And I'm happy to do so. You might note also that, when he was asked to speak he was given 15 minutes. When they found out I was speaking in his stead, they asked me to cut it to around 5 minutes (laughter). So I'm going to hit a few points that I'd like to touch on so we can get this School Finance Advisory Committee meeting initiated. My name is Philip Williams, I'm the Director of School Finance. I've been here for a short period of time; enjoying my stay and such cooperation from the LEA's—it's tremendous; we're finding great success. I thought to myself if the Superintendent were here, what would he say; what might he say in this meeting? And the one thing I know for sure that the Superintendent would address it that he has some goals. Last year he had a primary goal of customer service and customer satisfaction, and that was driven throughout the agency. This year he's looking at the goals of trying to support and create, better schools, better teacher's and better curriculum. So I give you that to say; School Finance has to say what is it that we need to do to support those goals? This Advisory Committee is a part of that. We set the requirement for ourselves to create customer satisfaction through assisting with compliance. So wherever there is a struggle for compliance with the education code, we would like to assist and help wherever we can. Secondly, we want to better understand business and operating requirements in the LEA's. We need that input so we can make better decisions.

Now just for a second, and I've done this once before so if you've heard it before forgive me. The production floor for education is the classroom, [and]we are all pretty much in a support environment. So the question becomes, how can we better support the production of education in the classroom? Well, we believe in School Finance that by supporting you, we can better support education in the classroom by making our procedures and processes more efficient and effective. In doing so, we think that; again back to my previous statement; that understanding your requirements takes us there. The key is for us to move our activities from the agency inside out to the field. That has become the theme within School Finance: the outreach program. The outreach program has about 3 cornerstones that were operating with.

The first, and we think the primary, is this School Finance Advisory Committee, where we will receive information from you and understand your requirements better. The second is to conduct compliance workshops where we go to different geographical areas where we go to help support and cover the areas of compliance with you. And third, we'd like to do; we'd like to get to the point (and were working on this) where we can do better trend analysis so that we can do projections and anticipate problems before they occur; and then work with you to resolve them before they become major issues. In addition to that we will, as always, conduct the internal communications through our telephone conversations; working with our analysts inside the office; working with you and your clerks to resolve data issues.

Ok, get to the last two points so we can get this meeting rolling. I'd like to first introduce to you a couple of key people. Now one of the things that is on the agenda is Introductions, and this is sort of a preview. I'm going to introduce some key people, and then I'll turn this over to the co-chairs, and they will do introductions so we'll all find out who we are, so to speak. I'd like to first introduce Ruth Solomon as one of our co-chairs, and before I go to the other co-chair I'm going to introduce my boss because I'm not stupid (laughter): Vicki Salazar. The other co-chair is Lyle Friesen, and I just want to take a moment to acknowledge all the work that was done by Raphaela Conner (applause). She has done an outstanding job; an outstanding job. In closing, we look forward to working with you, and we hope this beginning is not just a strong beginning we hope that we have a strong finish to this year. There are just four meetings. And please try to make each of those—let's make this work. We'll do subcommittee work between these meetings to try to make this valuable to us and valuable to you as well. Get that information in to us. And without extending this too much further, I'm going to turn this meeting over to the co-chairs, and let's get this rolling. Are there any questions? Thank you, I'll turn it over to Mr. Friesen and Ms. Soloman.

Welcome

(Ruth) Welcome on behalf of the Superintendent, it's wonderful to have you here. And for those of you who have served before on other task forces and advisory committees; some of you are old friends (well, long-time friends) some of you are new and it's a pleasure to have you all here. There are a number of issues that you've raised...? (Discussion indistinguishable due to noise). The whole purpose of being here, in addition to talking about those items you've already identified as needing to have some discussion; is to listen to what you more you want us to bring to the table. We're going to have some structure and flexibility; a great deal of flexibility frankly; in how we deal with this. Lyle and I have talked, we don't want this to be terribly formal, but we would like you to respect the opinions of others; to listen carefully if someone is speaking; wait your turn (I feel like a kindergarten teacher right now); share your cookies and your milk....and we'll all be in really good shape here. Having said that, we'll see if Lyle has any introductory remarks and then we'll go right into introductions.

(Lyle) Just a couple of words, I know that a number of you have expressed or asked questions about why we do things certain ways; or why we interpret statute in certain ways and so forth. And I can hear and I can understand what you say to me, but I can't always deliver that to the people that actually make decisions and are capable of making those decisions. So I think this group will help everybody understand what going on, and give a more organized feeling to hear your point of view. Nobody in School Finance (except for mine), who [are] is relatively new, has more district or charter school experience so your input on everything is important. So I guess it time for the introductions then?

(Ruth) It sure is, and let me just tell you that as co-chair, I'm here to be your social director, Lyle's here to do your work (laughter). Ralphie, let's start with you and again, Lyle and I both want to thank you--as Phil has and as Art's been telling you how wonderful you've been; and this is the lady that did all of this preparation and we thank you very much again.

Introductions

Raphaela Conner, aka Ralphie and I'm with School Finance at the Department of Education

Kristen Jordison, Executive Director; State Board for Charter Schools

John Arnold, Deputy Director of Finance; School Facilities Board

Linda Proctor-Downing, Executive Director of Arizona Agribusiness & Equine Center, Inc., it is a charter school.

Dan Bigler, Finance Director of Horizon Community Learning Center, also a charter school.

Karen Havird, Director of Finance for the Gilbert School District.

Paul Christensen, Assistant Superintendent; Murphy Elementary School District

Dianne Smith, Executive Director of the Greater Phoenix Education Management Council

Rick Conrad, Assistant Superintendent for Financial Services; Cartwright Elementary School District

L. Dean Webb, Professor of (School Finance?); Arizona State University
 Kevin Uden, Superintendent; Parker Unified School District
 Art Harding, Legislative Liason; Department of Education
 Vicki Salazar, ADE
 Ruth, Your social director, Ruth (laughter) [ADE]
 Lyle, Lyle [ADE]
 Brenda Thomas, Business Manager; Blue Ridge Unified School District
 Margaret Schrader Director, Southeast Regional Training Center in San Simon
 Rita Levya; Yavapai County School Offices
 John Ushman, Arizona Business and Education Coalition
 Pat Beatty, Executive Director of Financial Services; Tucson Unified School District
 Karla Philips, Senior Policy Advisor, Arizona House of Representatives
 Jay Kaprosy, Vice President of Public Affairs; Greater Phoenix Chamber of Commerce
 Kevin Price, Director of Audit Management Services; Mesa Unified School District
 Quincy Natay, Assistant Superintendent for Business Services; Chinle Unified School District
 Kevin McCarthy, President; Arizona Tax & Research
 Bill Maas, Associate Superintendent; Deer Valley School District
 Sally Downey, I have the awesome opportunity to work right here at EVIT and I want to officially welcome you. I got around to most of you personally, and we love to have people on our campus. So welcome.
 Candy Cooley, School Finance Unit; ADE
 (Phil) And I'm Phil Williams.

Overview of Meeting Literature/Logistics

(Ruth) You have some materials that have been prepared before you. With regard to logistics, if you have to get up and do whatever you need to do personally, feel free to do that. There is coffee, there is water—

(Sally) Ruth, I just want to tell everyone that the facilities are right out in that hall.

(Ruth) That makes it easy! Our hope is to get you out of here early and that we move through the agenda expeditiously. So with that, Mr. co-chair?

Agenda Items Discussion/Review

First Day Absences (Discussed from 1:40-2:10 p.m.)

(Lyle) First item on our agenda is First Day Absences and currently ADE disallows membership for first day absences. Kevin [Price] brought this to our attention at one point in time so we asked him to draft some information and history on this. Do we want to read this, [or] give everyone a moment to read this for those that haven't read this? Or do you want to read it to everybody [to Kevin Price]?

(Kevin Price) I don't want to read it to everybody! (laughter)

(Ruth) Kevin, why don't you just, you know, explain the issue?

(Kevin Price) Basically the issue, and this is coming from Kevin Price, the auditor for Mesa, and I've been doing this for numerous years. This issue is, Title 15 basically states that ADM is calculated based on enrollment and registration, and way back when this was first put in the system, the Auditor General made a statement (that was included in the USSF) that a person had to be present before the first day before they could be counted for attendance. So there's somewhat of a difference in what Title 15 says or how it's interpreted; but in defense of the Auditor General's opinion, being an auditor myself, I believe that came in to being when we were in a paper system, or stand alone computerized systems. How do you ensure that there is no duplicate enrollment? And so, their solution for that, being simplistic, was to say that no one could count anyone until they physically appeared there. The problem with that now is that---and slow me down if I start cutting off my sentences, my mind starts to race and I tend to race with it also—

(Ruth) We'll take care of you.

(Kevin Price) So the question now is we have come a long way since some of these practices were put in to place. There's not a school district out there that doesn't pre-register, unless it's a very small district and even they have to pre-register because they have to take into consideration calculations for how many teachers they're going to need, supplies brought in over the summer, this 'n that. So to say that you cannot count a kid until he/she physically shows

up when there are all these extenuating circumstances, is a penalty to school districts because we incur the costs, we get the supplies in place, we hold the rooms for the students, and then because we have a window of a 100 days for full funding, if a kid misses for 10 days or 5 days or whatever reason (because parents have them out; there's been a tragic accident; and were providing teachers support and homework); well it cuts your funding 10% if they're out 10 days or 5% if they're out 5 days. From the principal's standpoint, another issue is how do you treat one student that shows up on the first day of school, or like in Mesa, we start it on Thursday, so they show up for the 1st few days of school but their parents then pull them out to take vacation for 5 days until after labor day or whatever it is. That child now has five absences against them, while another kid that has the same scenario really except they were on vacation the first day of school, and those absences aren't counted so it creates some problems internally for disciplinary action and those kinds of things. So, in trying to consolidate this down to one page, I've tried to be pleasant and list the pros and cons and be very fair in what I said. I would make a recommendation that they count the student on the first day of school regardless because you enroll them, you plan for them, and the state now with the SAIS system, has a very good report called the ADMS 80 report. Hopefully, all of you have heard of it or at least somebody in your district has, because that report is a computer-generated report from SAIS that says I have a student enrolled and Murphy has that same student enrolled at the same time. I now can call Murphy up and say you know, we show that this student was here and registered and we validate that. Case in point, Mesa Public School validated this one, we weren't real happy with it, but we validate it, we show a student that was enrolled in Mesa Public Schools also enrolled a week at a charter school. And when we called up the charter school, what we found had happened was, the parents never withdrew them from Mesa but they wanted to check out the charter school. So they literally, enrolled their child in the charter school, spent a week there, and then came back to Mesa. So what we did when we validated that, we changed our entry and withdrawal dates, took that week out of our cycle. I only bring this up to say that there is an electronic form that will alleviate a lot of manual work that really doesn't have to take place anymore because when your dealing with those entry dates on the first day of school, that's the busiest time of year: your enrolling new students; trying to get kids in the class, and that's just another piece of work that they're double checking that you can get to. With the computerized report, after the first 10 days or after 20 days when they can start pulling off at the state. Did I confuse everybody? That's what I tried to document here.

(Ruth) Everyone in this room probably except me understands this stuff, so just from a laymen's perspective, are you saying that if I pre-registered my child in the Mesa Unified School District, but my child doesn't report for school the first day, because I've taken the child on vacation or there's been a sudden family incident...and then my child appears physically on the 10th day that that child has been counted as having been enrolled for 10 days?

(Kevin Price) Currently the state is saying that that kid does not count for enrollment; does not count for ADM.

(Ruth) Right, because the kid's not there.

(Kevin Price) Because the kid hasn't physically been there yet.

(Ruth) Now let me add something to that. I've pre-registered my child; I've left the state and 10 days go by and there's still no physical presence.

(Kevin) If you make no contact for 10 days then you roll the attendance back to the first day and it's like the kid was never there.

(Ruth) Ok, so there's no additional cost to the state?

(Kevin Price) No. No. And in fact, there is (??), well I can't speak for every school district, but in Mesa very seldom, at the start of school does it ever get to 10 days. We have a law that requires us to call by 2 hours and so were always trying to make contact with parents and so its real frustrating to us when we're having to do all the work—or the parents call in, they call and say were snowbound in New York, my kids attending please don't drop them they want the class, they want the teacher. And so they're doing the work, but, because he physically, for whatever reason, and there's all sorts off reasons why they may not be there that first day, we can't count them.

(Lyle calls on Karen)

(Karen) Can I add to that? I have another example, I think it's compounded at the high school district. Because what happens there is you're providing children with full schedules. At the elementary schools, we struggle to get those children out and to get new ones in because we want those class lists to be as accurate as possible because we watch them so closely. Obviously in our district we watch for the growth. When a class size gets to a certain level, we use that computer generated number to say there's too many kids in this classroom we've got to split this classroom and add another teacher. The high school's struggle is that they seem to be able to keep up until you have children with full schedules. And you've actually built a master schedule based on the fact that you have so many children in advanced algebra, and so many children in this English class during 3rd period, or so many children in this biology class during 6th period. So then, what happens, and it's particularly happened to us this year, low and behold the big Boy Scout jamboree camp-a-thon which is scheduled the first week of school! And so we were expected to literally, and that wasn't the children's fault, it was a Boy Scout jamboree and I mean you can't find anything more American than that. But we're expected to withdraw those children out of that schedule because we couldn't count them and then therefore, that left that schedule open, that classroom now had maybe 3 seats in advanced biology that could have been readily absorbed by new children coming in. But in all fairness, those Boy Scouts that have been with the district for 11 years really should have the right to that advanced biology seat. Does that make sense? So we really struggle with that and I have to tell you that for the first year, we didn't withdraw those boys scouts, we couldn't. It wasn't fair to those parents that were encountering that situation and we could not withdraw them. I know that that was not correct, I know were legally supposed to get those kids out of the computer system. But it wasn't fair to those parents that have been with Gilbert Schools for 10-11 years. To take those kids out of there. That may be a little bit of [?] , but that stuff, that's the practical stuff that happens in life that were not paying attention to; when sometimes we look at Title 15 and yeah there's the law but you have this practical stuff happening and that's one of them.

(Kevin) In my research and from what I read in the Title (and I see that your looking at the titles a little bit); the Title, the way I read it, and I know there's interpretation, but Title 15 really says enrollment begins with registration and it is the first day. Like I say, the only thing I can see that justifies the other stance was coming out of the USFR reports. Appendix 5 out of the USFR, which, they're in the process of rewriting a new one and I had to call to get that one and the old one was like 5 years old and its in that, that there is statement that says you cannot count a kid until they are physically there. And that has been there since I've been with Mesa which is 15 years. And I believe it was just, as an auditor, they were just trying to keep [track of] dual enrollments when there was no other way. By the way Karen, this year's a national jamboree again so you'll have that problem again (laughter).

(Lyle): Are you referencing the *Instructions for Required Reports*?

(Kevin Price) Yes, IFRR; USFR appendix 5 and I do have a draft copy of the one that's being reviewed right now and there are some minor changes there. So, I don't know what the legal stance is but Title 15 would make me believe that it's legal to do that. It's this opinion or somebody's opinion that's in that report that made that determination. And 15 years ago as an auditor I may have wanted to say the same thing because how else....there was no way of saying if the kid was in Karen's [school] as well as mine. But in any case, you know, we all need to be fair. It's like when Mesa found that student that they really hadn't withdrawn, but they had gone to the charter school. When we talk to the charter school, we fix it.

(Lyle calls on Jay)

(Jay) Quick question. In reference to the report that shows essentially dual enrollment/duplicate enrollment [ADMS 80]; is ADE enforcing off of that system now or is that simply one district calling another district and swearing away or is funding being withheld until such a time as that student can be allocated to a district?

(Lyle) We are giving the ADM to the LEA that has the most recent enrollment, until it is validated by one or both of the two or more entity's involved. At that point, it's allocated between whichever entities...

(Jay) So you may have to be prorating back during that process?

(Lyle) For school districts it would be easier to deal with, I believe, in that they're prior year funded. But for the charter schools that could impact them the very next month. They're about to switch from 40 day—or from estimated counts to 40th day so it may be a little different impact or a bit more immediate impact.

(Kevin Price) The report does allow for validation and we are already in the process as many others are. As I say, once we see a concurrency, we're calling the other school. And if they see the concurrency first, they're calling us. At that point you work through. Now you'll notice that I put a note in here that there may be the rare occasion that

ADE might have to get involved because we can't agree on what it is. But in most cases, I believe we all want to be fair and if we can validate that that kid really attended; we'll adjust. But one thing we did find out also, and I'm just giving you a little horror story here, is we had kindergartner parents. Technically, kindergartners are only funded for half day. But this parent had figured out the system and he had enrolled the kindergartner in the morning with us, and gone to a charter school in the afternoon. And neither one of us knew, so when we called the charter school, and in that case were both doing the job correctly, but we get half funding because that's the way it works.

(Lyle) You each get one quarter.

(Kevin) Yes, we each get a quarter because they happen to be at both.

(Male) Kevin, you hit, just briefly, on what I wanted to mention. I'm struggling a little bit on where the problem starts and stops. We have prior year funding. So even if the kid has left, and is at that charter school you still get funding. Well, the charter school gets funding for them too.

(Other Male?) In real life we do; we have that double (?)

(Male) Unless you're (growth?) Let's say you're a public school and you dropped in enrollment. You're using a prior year count for your student count unless I completely misunderstand how this works right? So, let's say I'm Gilbert Unified. I've got 20,000 students and 1000 just left and went to his charter school. Gilbert Unified seems funded on the 20000 and taxpayers are funding those 1000 kids at the charter school. So I'm intrigued by this discussion but the complications of how we funded these kids that are moving around is, in my judgment, a lot more complicated than even this and if we get good enough at tracking where these kids are at, which is what SAIS was supposed to do—

(Ruth) Which can and will [do]

(Male continues)...the logical extension of this is the money ought to go where that child is.

(Lyle) The money does go where the child is. If my son attends this year in Phoenix Union, Phoenix Union gets paid for him next year. If at any point in time during this year say on day 51, he goes to a charter school then the charter school will get paid for one half a day. I'm sorry, one half a year this year and Phoenix Union will be paid for one half a year next year. So we're only paying for one year per student. Regardless of whether he is enrolled in a district and a charter; or a district and a district or a district or a charter and charter. If he leaves after the 100th day, the gaining school would probably lose out because they wouldn't be able to count him in their ADM.

(Kevin Price) And that actually has happened.

(Male) We have seen times where a kid goes to a charter school, for whatever he's done, and this sounds (discouraging?)...it's just not right. If you go to any school but then they come back on the 2nd semester which is about 85 to 90 days into the semester--for the next year we only get 10-15 % because he or she only spent the first 85-90 days at a charter or somewhere else.

(Male) I don't want to belabor this, but I just want to make sure either I'm straight or I'm wrong. There are many school districts that are not in a growth mode, correct? If these kids that are bouncing all over the place leaving publics and going to charters, if a student leaves a school district and that school district the next year has less students than it did the prior year their funding, that student in two places in our system. Were funding them in the prior year count for the district they left and we're funding them at the charter. I mean this is a, this is a much debated issue at the capital. But that's the way it works. We used to have prior year funding in Arizona and various growth mechanisms and now we have prior plus current year funding and I think were probably unique in that perspective and it makes a lot of sense; but for better or for worse we fund them last year and we fund them in the current year.

(Female) But we didn't fund them their first year.

(Male) Excuse me?

(Female) We didn't fund them their first year, and that's what makes up the difference. When they're in kindergarten, there is no prior year funding for them and so that makes up the difference. (Onset of random, indistinguishable discussion)

(Ruth) Wait, wait, wait, wait wait---Kevin [Price]?

(Kevin Price) I'm not sure I understood that.

(Ruth) Would you repeat that please?

(Female) Because we have prior year funding, when we have kindergarten students they weren't there the prior year so there is no funding for them.

(Male) But if you have more students, you do pick up that; you count them in your student count right?

(Female) But we don't get paid for them until the next year.

(Other Male) I think you can throw the growth out.

(Female) Oh yeah, without the growth they (indistinguishable)...just regular, its not growth; not declining. The kindergarten kids don't get paid until they're in 1st grade. So if in fact they go from public to charter at some point in time, we have not double paid them.

(Male) I'll have to chew on that, I haven't heard that one (laughter, followed by onset of random, indistinguishable discussion).

(Male) This is going back to the original issue...

(Ruth) Oh, I'm sorry Karla. Karla?

(Male) Oh I'm sorry.

(Ruth) Karla do you want to go before (??)

(Karla) No. (laughter)

(John ?) I'm just curious. On this first day enrollment thing, how big of an issue this is. I mean, do you have an idea of your total funding for this year and how much your going to lose if your weren't counting kids that miss the first 2-3 days?

(Kevin Price) That would vary by district but basically, what it really equates to is that every day you lose, you know, for every 100 kids your losing an ADM. So, in Mesa, I think I gave Lyle a report last year which actually refers to like 13; somewhere around 13 or 14 kids, but that was based off of information where I was making some assumptions. Ok, for even calculating 13 x 4000 dollars, adds up. I can calculate that and probably come up with a closer number but its talking, probably not a great deal of money, but it is talking some money and I know that that's an issue with the state, because its like, were we paid for that? (Onset of random, indistinguishable discussion)

(Ruth calls on Karla)

(Lyle) Karla was next and then Bill.

(Karla) I just need to take a step back being w/Ruth, [for] understanding. I understand general education policy but I've never actually crunched numbers or calculated ADM myself. So I have a probably very simplistic question. You have the first 100 days of school. My understanding of ADM is the average attendance. So let's say they missed 10 days, you really don't get funded for those 10 days because it gets averaged out.

(Male) Right.

(Karla) Over the 100 days, no?

(Kevin Price) No, its enrollment. You have ADM and you have ADA. So basically if a kid enrolls on the 1st day and attends through the 100th day they count 1. Ok?

(Karla) For ADM?

(Kevin Price) For ADM. That's what we're funded on unless we have a high absence rate. If we have a high absence rate then it goes to ADA; and averages the attendance. So whether the kids there or not it doesn't really matter unless it's high absence rate. Now it matters to school districts because we have to do that for discipline and all that, but for the calculation of state funding, it's the enrollment. How many days was that child enrolled through the 100th day. Ok, does that answer it or did I confuse you? (Onset of random, indistinguishable discussion)

(Lyle) If there are 10 or more consecutive absences it would be unexcused absences. Unexcused would be withdrawn and then there would only be 90 days.

(Karla?) So the answer is that; so you're saying if they don't show up until the 5th day, you're only getting paid for 5 days?

(Kevin Price) Exactly.

(Karla) But if they were...let's say we were able to change this law, and they didn't show up those first 5 days you'd still get funded for 100 days? Assuming they fully attended without absences?

(Ruth) And just to clarify, I think that Kevin is correct. There's nothing in Title 15 that stipulates, First Day. If there is something in USFR, that's another issue that would need to be addressed but it is not a statutory issue.

(Karla) Well actually, (??) it might be worthwhile to (??) auditor generals office.

(Lyle) And that's one of our plans. Before we make any changes, to run it by the auditor general's office

(Ruth) Absolutely. (Onset of random, indistinguishable discussion)

(Lyle calls on Bill)

(Bill) Well, just to kind of answer John's question with actual facts. From this past year; well in fact the past two years, I've kept track of this. We start school on Thursday, which is not very smart, but we had a change in enrollment of actual kids showing up between Thursday and Monday of 300 kids. And then we had an actual number of kids increased by 700 by the end of the first week. And of those, 80% of those kids that showed up were prior enrolled kids. I mean they came in over the summer; they physically sat down they enrolled; they didn't come to school. But for some reason, they either missed the first two days and came on Monday (about half of them) and the other half didn't come for another week. When we asked the parents about this, some of them—we obviously didn't ask them all; but they were on vacation or they were doing different things. Whereas another kid could come those first two days--show up day one--and then his parents took him on vacation for a week and then come back after Labor day and we would get 100 days ADM for them. So, there's where I think the glitch is. Because they come that first day, then miss 9 days, were ok. They don't come for 9 days, we get 90% payment for them. (Onset of random, indistinguishable discussion)

(Ruth) Just say it out loud; just blurt it out...

(Paul) I'm just saying why start on Day 1 when you have these kinds of problems? Why not count 100 days after 10 or 15 days and you get rid of all this?

(Lyle) And do day 11 through 110?

(Other Male or Paul) Right, I think that would work...(remaining dialogue indistinguishable). (Onset of random, indistinguishable discussion)

(Ruth) What I'm going to do is interrupt the discussion at this moment and introduce the Superintendents Deputy, Tacy Ashby, who many of you know. She was good enough to drive all the way, all the way to Mesa, and she does have some other obligations this afternoon, but on behalf of the Superintendent she did want to stop by. Tacy would you like to say a few words on behalf of the Superintendent?

(Tacy) Certainly. On Superintendent Horne's behalf, I just really want to thank you all for taking your time to be here. We are very much about wanting to hear from all of you. And I want to make sure, if it has not already been done, to commend our ADE staff because this came about because of a sincere desire to hear your voices and it was their initiation, on their own, to put this together and want to hear from you so that we can really work on your behalf, with your interests in mind. So I really want to thank you for being here, but I also want to thank our ADE staff for facilitating this opportunity to hear from you.

(Ruth) Thank you Tacy, thank you for coming.

(Lyle) Does anyone have some comments that they feel are very important to make today yet?

(Ruth?) If not Lyle does (laughter).

(Lyle) I have some comments and some questions for consideration. I liked the comment on day 11-110. That would kind of void my first question. We have had; we have experienced in charter schools that give us estimated counts based on their actual enrollment. We have experienced where parents will school shop and they will go enroll at this charter, and another charter; maybe even a district school also. So there could be some legitimate early enrollment which we would fix. And the only reason I bring this up is because those are the kind of rules that we would have to

determine how were going to handle. Those and others that don't come to mind right now. (Question directed to Kevin Price). You have commented about taking a week off and going to a charter school for one of your kids. During that point in time I don't remember whether you said the student was withdrawn?.

(Kevin Price.) We adjusted that.

(Lyle) You did adjust that?

(Kevin Price) Yes, we did adjust that because it's only fair.

(Lyle) And it wasn't required of you because it wasn't five unexcused absences or 10 unexcused absences.

(Female) What does that mean, adjusted?

(Kevin Price) Basically, because the student, even though we didn't know about it; didn't officially withdraw – which is supposedly required by law; they just went to the school—and again we found that out; the only way we found that out was by looking at the ADMS 80 report—we called the charter school and the charter school said they were physically in attendance. So then we changed (for that student) we withdrew them on the Friday before and then when they came back we re-enrolled to show that truly, they had been there. Because it's all about tracking students; what's really going on but that's another issue.

(Lyle). One other comment. I know all of the school people here, or at least I think I do. And I don't believe anybody would do this but I believe somebody had commented about absences on the last of the week for the first day. I believe the question would come up and I tend to play devils advocate sometimes. What if people or a entity were to schedule Friday as the first day knowing that hardly anybody would show up? You have fewer teachers, nobody shows up, your real first day is Monday. Maybe it wouldn't happen but it's a question that popped into my mind.

(Ruth) I'm not going to ask you to answer that; we're not going to answer that.

(Lyle simultaneously with Ruth) Yeah, I don't want answers; just something to think about.

(Lyle to Kevin Price.) Go ahead Kevin.

(Kevin Price) I just wanted to answer to what Paul is saying. That is an approach, that starting on the 11th day or whatever; but in actuality, regardless of what day you start, you're still going to have the same issues.

(Ruth) Exactly. Well, I think at this point, and rather than get into a debate here as to whether or not we'd have the same issues, Kevin? I'd like you to chair a subcommittee on this issue.

(Kevin) Ok.

(Ruth to unknown person) Would you mind serving on this subcommittee with Kevin?

(Male) With Kevin? Yeah. (laughter)

(Lyle) Any other volunteers?

(Ruth to unknown persons) ...serve on the subcommittee with Kevin, and work with Lyle and staff to bring us back some recommendations at the next meeting? We recognize what Title 15 says, but there is some research [needed] with regard to USFR; and some issues that would have to be raised. And Kevin [Price], whomever else you would like to include in the subcommittee I'm just giving you a start. Thank you very much.

(Ruth) On to the next.

(Karla) There's one little thing that might get thrown into this. There is a bill that was out there last year that I can hear being raised again. (??) had a bill to, I don't know exactly what it did (more indistinguishable dialogue) , to kind of talk about a standard beginning of the school [year]. (laughter; exclams) (Karla) I'm just bringing it up. That debate will probably come up among others. (Onset of random, indistinguishable discussion)

(Female) I believe you are correct.

(Ruth calls on Lyle)

(Lyle) The next item is also Kevin [Price], definition of excused absences.

(Ruth) Oh, Kevin again? He may have two sub-committees.

(Kevin Price) This is what happens when you get vocal about certain things.

(Lyle) We just wanted to make an example of Kevin (laughter).

(Female) Nobody's going to admit any issues from this point forward (laughter).

Unexcused vs. Excused Absences (Discussed from 2:10 – 2:25 p.m.)

(Kevin Price): Ok. Unexcused/excused absences—defining that and what is the importance of it. As I went back through policy and procedure I tried to narrow this down to a 1-page synopsis; which was kind of the mandate I was given. It really comes into whose using the excuse for the absence. The state has reasons why it wants to know what an excused/unexcused is; the school district uses it totally different; and then the judicial court wants it for a different purpose. So there's some confusion in what is an excused absence and an unexcused absence. And I asked the question. In fact I asked it of Ralphie to ask again if she can find anything else: Why is the state concerned with excused/unexcused [absences]? An excused absence only comes in to play twice for state purposes: It comes into play when we get to a high absence rate in a school district where they want to calculate ADA versus ADM. And they have four categories, they have:

1. Concerted refusal to attend
2. Illness
3. Threat
4. Adverse weather

(Kevin Price) So only if you get ADA—which the state really hopes we don't ever get to because they don't really want to have to calculate it; and I don't really want to have to calculate it (Mesa's had to do it twice and it falls on me). It [the state] has no interest in what an excused or unexcused absence is. Here again, it's not defined in Title 15. The only reference is again in the USFR, Appendix 5 and the reports [Instructions for Required Reports]. And in there, actually no, I'm sorry that is not true. Title 15-901 is where it comes to play and that gets into a withdrawal issue. This is the only other time it becomes an issue. In title 9 [15-901A.2], and I've got it there on the bottom of the second page. It basically gets into, if you have a student with 10 unexcused absences, you have two withdraw him back to the last day. Now the sentence right after that is the one that causes the biggest confusion because of how you read it and understand it. If you read the sentence just by itself, it says for computational purposes, the effective date of withdrawal shall be retroactive to the last day of actual attendance of the student. Ok, some people are saying; and this is where the confusion comes in—that that then applies to all withdrawals. And if that is the case then the state has no need to even distinguish between excused or unexcused. I happen to (weigh ?) that that sentence is directly tied to the one above it where it's talking about “in the case that you have a student with unexcused absences, you drop them back to the first day”. Ok, for practical purposes from a school district that's what makes sense. Because we have situations of where a kid's on suspension at one school and they're suspended for 10 days. Some people have said that's an unexcused absence, you can't count that. Well, the only definition for an excused/unexcused [absence] says illness, or parent notification, vacation or whatever. In any case, a suspension, if we can't count that...I know of one district that changed their discipline policies at their school to say you can only suspend a kid for 9 days to get around that. Well, technically, the parent knows about that. That disciplinary action—that should, for the state purposes be an excused absence. For the district we call it an unexcused because for disciplinary reasons, that kids not going to get a perfect attendance. We need to know there has been an issue with this kid and so there are some differences in how the excuses are being used. In fact, in this paper I make mention of what I call an unverified absence. And I think this is what the state really means, an unverified absence. Meaning we've tried to call the parent; we've contacted everybody we know; after 10 days, if we don't know where that kid is, we have not been able to verify it; then we drop him back to the first day or the last day he physically was there; or if it's the first of the year –back to the first day. Other than that we're required by law to try to make contact within two hours; we try to do that. We have contact on a regular basis if their suspended. We're providing homework, were providing support. I mean Mesa even does a weird thing (I'm using Mesa because that's what I know), where they might be suspended from our high school, but somewhere in the suspension if they choose too, that kid can go to one of our alternative schools and not have to be out for 10 days. Ok, but under the current policy the way its trying to be interpreted; we would lose, say those five days, because they switched to a different school within our own program; much less if they went somewhere else. Now once they withdraw from that school and go somewhere else, they go to a charter; we drop them back to the last day or back to that date. So, were not after going home, but sometimes that withdrawn student, or that one that's in that another land of “do we drop them because we're fighting for trancies?” Where the kid doesn't want to be in school but by law he's supposed to be there and we're trying to get him there this' n that; you know it just creates a whole bucket of errors; er problems for us. And

so what I'm saying is it should be—well, another subcommittee will figure that one out. (Laughter; onset of random, indistinguishable discussion)

(Lyle) Anybody else have comments or questions?

(Female speaker) I can probably add to that. Because again it's primarily the high school students. We actually have students that are on 10 days suspension and you're supposed to get in there and withdraw them when we know where that child is. And we actually have a new category now that were struggling with and were trying to call it OCE: Off Campus Education. Because basically their suspended for 15 days but we are providing education through emails to teachers; their parents are picking up the homework; they are coming in after school is over for the day; teachers staying late giving them tests—were educating these children. They're not enrolled anyplace else, we are literally educating them. But because of the 10 days suspension thing and they happen to be bad when there's 15 days between now and the end of the semester and their not allowed back on the campus until the next semester; we've basically lost that child—but were (??) that. I mean, were educating that child.

(Male) Two quick questions, one to Kevin [Price] which is: I'd be interested in what your opinion is to start with; and then my second question is maybe more of an editorial comment...

(Ruth) We are not allowing any editorial comments (laughter)

(Male continues) I guess I'm just struggling with what the effectiveness of a suspension is particularly when were continuing to provide education services if they're off campus. I've heard of in-school suspension, but this is probably an issue for another day. But that brings up another (??). The primary question I have is, what is your opinion for addressing it?

(Kevin Price): Well, I guess to put it the most simplistic that I can, and I know that it's not quite this simplistic. The state, basically, is funding a kid if they're here the full time for a hundred days. And most schools, well for a hundred days, so what is the state really matter as long as we know that the kid is in the state, is being educated? Outside of that, it should be just simply being fair between districts, whether it's a charter, another district, or whatever. But we've got to do a better job of tracking the student because what happens right now is were playing games for financial reasons—and I understand that piece of it too, but now we have NCLB, (students first?) and all this and we're saying we're doing this for kids, but because the financial impact; once Mesa drops a kid and withdraws them back to whatever date; we lose that history of what was really going on with that kid. And so when we go into a judge, who has sited a parent to court, to get their kid in, you know; it creates additional work for us now because were going to drop this kid back. Now we have to take and make copies and store files so that when that judge sees that---(??). So my recommendation is, let's simplify the whole process and try to get out of these knit-picking rules when the ADMS 80 report—once again—keeps that dual enrollment from happening. So technically if you're using the ADMS 80 report and you're validating those things; a kid, technically, cannot, or should not be able to be counted twice or paid for twice. This problem is only going to get worse because now we have distance learning programs, and where we might have a true dual enrollment now; the day is coming when you can have dual, triple, quadruple enrollment (sudden onset of discussion). So what I'm saying is let's simplify where we can—

(Male) Got a hot tip for you man, I think were already past that (laughter).

(Kevin Price) I know that, but I'm trying to be nice.

(Ruth) Vicki had a suggestion.

(Vicki) I think this is a concern, a good concern, and maybe we can get a smaller sidebar going in-between these, our original meetings. So maybe our chairperson could get some volunteers to sit on the sidebar on this issue with ADE.

(Lyle) We could always pull double-duty with the first sub-committee.

(Ruth?) Why don't we do that? (Onset of random, indistinguishable discussion) I think that there's plenty of talent to resolve both these questions Kevin.

(Ruth) Ok, let's go on to the next one.

(Kevin Price) Does anyone want to volunteer for that [sidebar]?

(Ruth) Again, Kevin, feel free to invite whomever, or to mandate their attendance.

(Kevin) Whoever would like to be on it, send me an email.

(Ruth) Actually, if you would let Ralphie know what the meeting date is we can notify all the members. Just in case they have a free couple of hours. But those that have been appointed must be at that meeting.

(Male) For our benefit, what is the interpretation to state of excused and unexcused absence?

(Lyle) Well, right now, it's just like Kevin read. Its notification of parent, vacation, and medical.

(Male) That's illness, and basically vacation.

(Lyle) Well, weather is not even{cutoff, end of Side 1 of tape}.

[Begin Side 2 of tape]

Beginning dialogue by unknown male is indistinguishable.

(Lyle) And I've always questioned how do we come up with just those two items to get categories for that?

(Kevin Price) Its like I said, it depends on your interpretation of that statute if the other interpretation is correct then there is no need to even go down the road (continues; indistinguishable).

(Male) Kevin [Price], so you're saying that if you suspend somebody for 10 or more days you feel since that's not defined as an excused absence that you have to withdraw them for that period, is that right?

(Kevin Price) Actually, my position on that is based on the interpretation that basically says illness or parent notification. In a suspension, you don't ever suspend a kid without parent notification. They may not be happy about it, but everybody in this room knows where the kid is. For me, that would be an excused absence—for the state purposes. For the district, we're going mark that as an unexcused because we don't want to recognize that student for an award of perfect attendance or whatever. You understand what I'm saying? So there's a difference and that's why I call it something else. I call it an unverified absence. That absence means, you don't know what's going on; the parent hasn't been contacted; nobody knows what's going on. So I really think that an unverified absence is really what the state means by an unexcused absence.

(Male) I agree with that and you know I used to work at the Department [of Education] in Audits and do ADM audits. And we would do the same interpretation during the audits. And we would look at what's reasonable, so I think you're exactly right (continues, indistinguishable). So, we would not consider that to fall under that (official ruling?) for reasonable approaches.

(Ruth) I think the subcommittee is going to be in very good hands, and we'll work out some policy with regard to these issues and hopefully get (??) (indistinguishable).

(Lyle) Dan, since you've had the experience, would you consider joining this subcommittee?

(Dan's response indistinguishable)

(Lyle) I had really forgotten about that. (Onset of random, indistinguishable discussion).

Passing Time (Discussed from 2:25 – 2:40 p.m.)

(Ruth) Ok, passing time. This was an issue that was brought to us by Chuck Essigs; and Chuck is unable to be here today. We can do one of two things, we can either discuss the issue if there are others of you who have passing time issues; and if not we can wait until Chuck comes the next time to present it.

(Male) Yeah, I've been out of the game a little while, but I swear I've never heard that term, so even if there was just a description of what were talking about.

(Lyle) Well, basically what I understand that passing time would be is, the hopefully few minutes that are allowed for a high school student to go from one classroom to another. And that being counted toward the instructional time over the course of the year.

(Kevin Price) The statute says you cannot count recess or lunch, but in never mentions the time in between classes. So typically at the start of the day/the end of the day, subtract out recess/subtract out lunch—that's the educational day.

(Lyle) But, that recess and lunch is only for elementary though, it doesn't define high school or go into high school.

(Ruth) If you have 40 minute classes and there are 3 minutes between classes for passing with 7 periods, then you have 21 passing minutes. Does that or does that not count as part of your instructional day?

(Jay) Sounds to me like Chuck should have just kept his mouth shut (laughter).

(Lyle) It is not just Chuck, it is a question that School Finance is asked very frequently. (Onset of random, indistinguishable discussion)

(Male) The bigger problem with it pertains to junior high, 8th grade. Eight graders have to attend school more hours a day than anybody else in the state. They're the ones that have the passing periods. Typically the way it's been done, and I've done this for 15-20 years, starting as a principal and I got taught by either somebody from the state (at that time), or another principal; I can't remember who it was. But you start with your (paid up value?). When the bell rings you would say "go to class" and go and take all the instructional minutes for the rest of the day and then simply subtract out recess and lunch. And that's your instructional minutes. That's the way you'd do it. The eighth graders are the ones that are going to be impacted the most. My understanding now is that the high school; our computer program is computing based on the number of minutes they're actually in class. We're not going to give them *any* passing time at the high school level at all. (Onset of random, indistinguishable discussion).

(Ruth) Is this is middle school problem?

(Female) (The high schools support some kids who school mother off campus??)

(Other female) Is the instructional time a big issue in high school?

(Other female) You mean the actual minutes?

(Onset of random, indistinguishable discussion).

(Other female) What about the middle schools? The middle school issue; is it a problem at the middle school? I mean clearly, I think we've (??) that its not a problem at the high school; its not a problem obviously at the elementary school; so if this is really a middle school issue—(cut off)

(Male) If you look at passing time you look at 180 days and if you look at the amount of time within each one of those 180 days, it takes 1080 minutes to take that passing time out of there, you've got yourself quite a matrix.

(Ruth) So, are you saying that we shouldn't be looking at this issue? Or that we should be extending the day; or we should just pretend that Chuck never raised the issue? (Laughter, onset of random, indistinguishable discussion)

(Kevin Price) I think everybody would probably love to ignore the issue, as long as an auditor's not going to ask if that passing time is included or not.

(Ruth) Do we have any auditors in the room?

(Kevin Price) I'm an auditor (continues indistinguishably; followed by onset of random, indistinguishable discussion).

(Margaret) Also where it also gets complicated is when schools are setting up their student management systems and they're setting up number of minutes that students are attending; whether or not their absent for quarter day or half a day; or whether or not they're set up to count attendance that's half a day; two-quarters of a day or quarter day. We get lots of calls about how many minutes does that meet. We answer typically, (??, indistinguishable)...or various grade level. So it's more than just overall attendance and number of days and how many minutes you were required to have been enrolled; but it also works real strangely now in how to handle it consistently and how they actually count if students were absent one or two periods. Is that a quarter deduction; or is that a half-day deduction? It really varies across how schools have set up their periods and passing time; at least sufficiently.

(Ruth) Do I dare to assume that districts make their own determination with regard to [passing time]?

(Margaret) It's based on the law.

(Ruth) I mean, they know the minutes specified in the law; clearly. And within the parameters of the law—

(Kevin Price) But there's an audit requirement within the USFR questionnaire. I believe they audit—because they always look at our bell schedule; and its one of the things they're looking at to detect your minutes. They're after your bell schedule; they're after your school calendar. And so its part of the independent audit to the school district to include these minutes (remaining comments indistinguishable).

(Ruth) And therefore it would be incumbent upon the district to make the determination as to how to deal with these minutes. And, it would be—Kevin, I don't want to put words in your mouth or thoughts in your head; but would it be inappropriate for there to be a uniform system of determining the number of minutes, if in fact it is handled at the district level and if in fact it is a USFR audit question that must be responded to.

(Kevin Price) I think the easiest way of dealing with it is...I think the confusion is that, is passing time counted or not. And I think all of us set passing time on literally; what is the furthest transition we have. Because we don't want the kids in the hall any longer than we have to. But it seems like the easiest thing to do here is to just say passing time is part of the instructional day; lunch is not and we can move right on.

(Ruth) Is there consensus? (Onset of random, indistinguishable discussion)

(Male) I think the whole problem, and this almost appears to be really vindictive, because were in the electronic age where ADE is now requiring a whole lot more accountability then before, every school district in here probably calculated the way they wanted to and just sent it in. But now, were relying on our technology, and then that technology has you say "do I count every minute or do I count part of the minutes?"

(Ruth) Is it the consensus of the people sitting in this room, that passing time is counted as part of the instructional day? (Random intermittent responses; indistinguishable)

(Male) I don't care a lot about this, but I have no idea what the intent was and I'm not sure anybody...(??). It seems to me that whoever put this in law didn't put some thought into it. They actually had the number of minutes, I don't know how that stuff works down there, sometimes there's a lot of (??), but I would think that they knew what they meant by that. (Onset of random, indistinguishable discussion)

(Male) Well, let me just—I guess if by reading the statute and [if] I was asked to give my opinion, since it doesn't subtract passing time and it does lunch, one would assume you get to include it.

(Ruth) And that would be a very good assumption based on the reading of the language.

(Lyle calls on Kristen)

(Kristen) From the charter school point of view; or whole group point of view—its just how do you know that its consistent because as an agency were faced with all these independent auditors that are out there; reading the USFR questionnaire and saying "How do I count this?" So we call the ADE to say "how do we count this?" so we can then tell the auditors to consistently apply the rule. So just knowing, whether it is or isn't is exactly what we need to know.

(Ruth) Very, very good, perfect. And as a matter of law, it is. As a matter of law, there's no reference at all. So, as a matter of law; clearly, it is.

(Kristen) But it is in the questionnaire. So for the Auditor General, that loop kind of keeps going around, because then the Auditor General says it's up to ADE's interpretation...

(Ruth) And ADE is saying, it a matter of what's in Title 15. And in Title 15 there are two areas that are not counted as part of the instructional day; and those two areas are lunch and recess. Title 15 says nothing else, and so I think that if we indeed, stick to the letter of the law, nobody has any idea what the intent was. But if we stick to the letter of the law, it's clearly spoken. Is there any, and again, I don't want to put words in your mouth or thoughts in your head; but, it would seem that the law is clear. (Ruth calls on Karla) Karla?

(Karla) One option, and I'm not advocating this, but there's another option of possibly---just an option—I'm sure there's pros and cons, (interrupted by random onset of indistinguishable discussion; part of Karla's statement missed). (Karla continues) The only reason I'm bringing it up is because the quicker (Kristen?) makes us all (??), we can all agree that this would be how it's done. But when you have new charter schools forming; new business offices started in rural Arizona coming from different states; it's always kind of that training and transmission issue if it's not in statue and it's not in USFR to make sure that it's consistent.

(Female) There may be that there's some confusion in interpretation but its (???) to imply that it is (continues, but indistinguishable; overridden by multiple voices).....it would open the door to the AG.

(Ruth) No, no, it would not open the door, I mean it would be something that we would request.

(Male) And if you do get an audit from an auditor that does interprets that differently, you just have to put down your argument "for" and it's not going to go any place further; unless you got 25 different auditors doing this.

(Female) Is there a problem, I mean have you had this happen, have auditors been...?

(Female) Yes, it has happened to me this way.

(Lyle) I know that the ADE audit team has performed an audit where there was 15 minutes passing time to go on a very, very small campus that it shouldn't take more than 2-3 minutes; basically a break.

(Male) So that's the problem.

(Lyle) Yeah. I mean that's not—Ruth said so, which is good enough for me (laughter). I mean she approved the issue, but we still need to question what is reasonable and I—what is important for me is...

(Ruth) That's a different question: What is reasonable is a different question and if you want the ADE to issue guidelines for a reasonable period of time, that's fine too, we'd be happy to do that. I know for most districts, their preference is that the ADE not dictate such things to them; or even issue guidelines on such things. But ADE is obligated to follow the law. Period. The end. As far as reasonableness, if that's something that you want us to deal with, we'd be happy to.

(Lyle speaking to Kevin Price). Kevin, you had mentioned that you measure the grade statistics. How do you set passing time based on grade statistics?

(Kevin Price) Well, basically, if you're going to be fair—and that's what I keep going back to is being fair—put yourself in a kid's shoes. If they're over in Ed Tech or something and their next class period takes them all the way across campus; now most schools you try to put them, you know reasonably [close], but what is the longest path for them?. What does it take a reasonable person to walk from one end of the campus to the other? That should give you a reasonable estimate of what your passing time should be. So, 15 minutes on one of our big high schools may be reasonable. I don't think we have any that are that big but—(cut off by onset of random, indistinguishable discussion). Ok, but a small compact thing, you know, it might be a minute; but every school, depending on its layout would be different.

(Margaret) Another thing that goes along with that is that many schools are real creative about the length of their class periods. And so, if a class period is not your regular 45-55 minutes; there may be a 120 minutes long class period in which case 15 minutes for a passing time doesn't necessarily (continues indistinguishably), but the amount of time that is a reasonable break because you've just done coursework for 120 minutes.

(Ruth) I would hope that you wouldn't want the ADE to develop guidelines on behalf of your districts.

(Lyle) Would it be acceptable to offer some options, such as stepping off the time it takes and using that a reasonability [factor]?

(Male) I would suggest that it be just a suggestion.

(Lyle) I'm fishing for something to tell people when they ask.

(Ruth) I think that when they ask that we refer them to Title 15 and ask them to work with their school districts on a reasonable amount of passing time that is fair and consistent with their practices. I would hope that that would be where we would want to go and not dictate this. Ok? And if you want us to come back to this we'd be happy to; if you talk to folks out in the field and they suggest that they want more guidance from us [ADE] then just let us know and we'll bring it back to the meeting once again. CEC's?

Certificates of Educational Convenience: CEC-A & CEC-B Funding (Discussed from 2:40-2:50 pm)

(Lyle) I actually think we have at least one or two districts here that are involved with CEC's. Bill? Your district gets CEC's—no, you're at Deer Valley you're not CEC. Does anybody else get CEC's? Pat at Tucson, Kevin [Uden], (your district is small?); relatively speaking. The reason this item is on here is two-fold: 1. To make it easier for the districts; and 2. To make it easier for ADE I guess. It is a very complex formula, and it varies on whether they're organized or unorganized kids; whether they're Special Ed kids or not Special Ed kids—there's quite a bit that can go into the formula.

(Male) Lyle will you remind us of what they are or just give kind of a CEC interpretation?

(Lyle) CEC's are Certificates of Educational Convenience. If a student is placed within a district by an appropriate placing agency such as a court or DES or something along those lines; and this is a student that costs more than the average student does in that district; the district is eligible to receive some more funding from the state. Or possibly

from the district he was removed from. CEC-A's are kids that live in unorganized territories. Cave Creek and Scottsdale experience a lot of that; Fountain Hills gets a lot of kids from unorganized territories so the actual costs exceed the state aid generated and they're eligible for additional money from the state. The others are Special Ed kids that are placed within a specific different. So there are two different kinds of CECs, I guess possibly Kevin might be familiar with CEC kids going out of state, do you have any kids going out of state [to Kevin Uden]?

(Kevin Uden) We don't deal with any CEC's at all, we think that the headache of doing the paperwork for CEC's doesn't (outweigh?) the just taking ADM for kids that are sent to us and having the other school district take ADM (from ?) their kids that leave.

(Lyle) Well, that the one perspective. I'm sure Cave Creek is a little more concerned about the amount of money for their CEC kids than Fountain Hills or some of the other larger CEC districts.

(Ruth) Bill?

(Lyle) He's with Deer Valley. So we don't have any big CEC users here, so is this an issue that this group wants to discuss?

(Male) What are the issues?

(Lyle) We've got several things; aside from the formula being so complex, as Kevin [Uden] just indicated, and I don't even think that does justice to how complex it is—what he says (laughter). It gets very confusing. Maggie Singler could stand up here and explain it to you and I've heard it 4 or 5 times and I still cannot fully grasp it. But, to simplify the formula for CEC, Cave Creek did get some language passed recently that resolved a portion of their, if not all their issues. But Fountain Hills is not in the same boat. There are districts out here that are losing; that are receiving CEC kids and are only being partially funded for those kids. (onset of random, indistinguishable discussion)

(Male) Well, I was just going to point out that Cave Creeks concern was that they weren't getting any CEC money (continues, indistinguishable).

(Lyle) And I think that's a different situation than any other school district.

(Male) The form is 4 pages long per category, it is detailed and I don't know this for a fact, but I talked to George (Ziggler?) who is a finance director who told me that last year when we did process the CEC kids it wasn't fully funded anyway. So you go thru all the work and then it still isn't funded. So that may be the issue, I don't know. But, I do have copies of...(??)

(Lyle) I think this past year is the first year that I remember the CEC not being fully funded. We were appropriated X amount and the formulas generated X times 2. So we allocated that out. We have discussed ways to resolve that issue if it does come up in the future, but it will involve districts giving us estimates and information much sooner in the year so we have time to work on it.

(Female) Lyle, do you have any information on how, generally how many districts—obviously you know (??)...Cave Creek well, but from the (??) perspective, how many districts get CEC A's and B's to (administer development?), I'd be interested to know. And also, as you've indicated, there is a party of categories of students that can generate CEC's. Which of the ones hold the most (??)? I mean if it's just a handful of foster students; but we have a huge amount of court-appointed students; I mean if we were looking at targeting the problem we need to look at this. [That is,] which population of students are generating CEC.

(Lyle) I think from a student count, I think that it's enough students to make it worthwhile to look into. As far as the districts that budgeted for CEC in '05, we've got,--I just printed this off before we came—

(Female) But then there's probably some that (aren't?) doing it.

(Lyle) Right. We've only got 12 districts that budgeted for CEC on their adopted budgets for 04-05. But, there used to be considerably more. The 976 kids, the kids whose parents work or reside on state land; we've only got two districts but I'm sure there could be others if it were simplified. I'm sure Kevin [Uden] would make use of whatever he could get if it weren't so, complex. (Lyle calls on Bill)

(Bill) Well, I was just wondering how much more would you get counting them as a CEC rather than just them as a student that has gone open enrollment?

(Lyle) It varies from district to district. It could be anywhere, legitimately, from a penny more per student to several hundred or even a thousands dollar more--depending on what you're spending per student in your district.

(Bill) You can have add your (???) into that?

(Lyle) Pardon?

(Bill) You can add your (bond?)?

(Lyle) Or you can add guest service into that; transportation if it's provided...

(Male) For Special Ed, handicapped people, it can be substantial. Some of ours are at like, \$2000 dollars.

(Lyle) I mean you could have a severely handicapped kid that needs a full-time aid.

(Ruth) It would seem that (after this has been passed around?) that this is an issue maybe not for every school; possibly for every district. Would it be appropriate to bring you back some recommendations to discuss further at the next meeting so that you have something in front of you; something on the table?

(Male or Female) (Indistinguishable—something about a form that has to be filled out)

(Lyle) I think its both. Because if you have a CEC-A student from an unorganized territory there is no funding for that kid unless he is a Group B kid.

(Male or female) (Indistinguishable—something about sounds like these issues are those kinds of issues that places the ball in your [ADE's] court.)

(Ruth) Yes, but even though those issues are in our court, we wouldn't want to put anything in place that might make life more difficult for you instead of less difficult.

(Male or female) (Indistinguishable)

(Ruth) But we would want—one of the purposes of this group is to run these things by you, to bring you some suggestions from us; to listen to suggestions from you, as to how we can improve on what were putting before you and to work collaboratively. So, yeah, you're right we can just about do whatever we want—

(Male or Female) Give more money?

(Ruth) Except that. That would take the legislature (Karla) and your boss (laughter); But the fact remains that the Superintendent's ideal way of doing business [is]to work collaboratively with the LEA's and we appreciate your willingness to give us your time.

(Male or female) (Indistinguishable--asks us to bring something to the next meeting)

(Ruth) We can do that. This is good.

General Discussion/Questions & Answers Period

(Ruth) We have no more items on this agenda. Before we call to the audience, to see if there's anyone in the audience that would like to address us, we're interested to know if, and as I say these are simply some issues that were brought to us at the onset. We know that there are many, many issues, and we don't want to restrict what you bring to us or to narrow your thinking in any way to what we need to discuss here. So if you want to take a few minutes now to throw some ideas out?

(Bill) I like to bring up one that related to this same thing about ADM and that's dual enrollment. And I don't mean well, I don't think we can solve the problem right here but I did talk with legislature and the JLBC and I got some concurrence that what I was saying was correct and I just want you to think about it. If a student is a high school student and takes a full-load at one of your high schools and then after school; in the afternoon, goes then to a charter school and takes a class, then both people are penalized. Even though both may educate the student on a full-time basis they're both penalized. My question is, why can't we count double enrollment? Why can't we give both entities' full count when they go to school? And I know the first thing is funding but—

(Ruth) No, no, no, it's just that we've lived through this before.

(Bill) Here's the two reasons why it would not be prosperous: 1. If the student gets through school (that's having problems) and he needs to go an extra year so he goes to a charter school to make up some of those classes; number one, we may be able to get him through in 4 years because he's taking our classes during the day and charter school

classes at night; which means that the graduation rate is going to go up which is what everybody is striving for. Number 2, if your educating that kid for those extra classes *during* his 4th year, even though it's a small amount (because that's all we get as an increase is a small amount), you will still be paying less ADM for that student with those extra classes then you would if he went into the 5th year. Because in their 5th year, you have inflation that's going thru the system but when he takes those classes his sophomore and junior year at night to catch up, graduating in 4 years; were still paying less for those extra classes than you would in his 5th year.

(Ruth) It's certainly worth discussing and it's an issue that affects everyone. Vicki is whispering in my ear that we need to bring this to the legislature, but this committee can make some recommendations as to what they might want to bring to the legislature. I think it's appropriate for us to discuss this. [though] it's not within our jurisdiction. It is within the jurisdiction of the legislature. But if there are recommendations we can make, maybe we should do that. And they would just be recommendations.

(Sally) Well, this may be very ignorant and it probably has a real simplistic reason why you do this so help me—what is so sacred about the 100th day? If were talking about keeping kids in school, and talking about increasing graduation rates, then it seems to me we ought to say the last day of school. I mean, I don't know, I just think that that's the direction we need to go and maybe there's something I don't know, Lyle, that makes this 100th day sacred. So if it's a sacred count just tell me to shut up (laughter).

(Male) I'll take that one!

(Ruth) Sally, I would never tell you to shut up.

(Sally) You know it just seems like—you know I care just as much about the kids that are here until the end of the year; not just 100th day.

(Female) I agree.

(Jay) I'm still scarred from that (??) (laughter). For those of you who don't know me are probably more fortunate than those that do know me. I represented the Department of Ed for about 5 years; I represented Lisa Keegan; and we suggested that moving to a system of real-time funding which would mean that you would count all 175 days of the school year. Two, well I'd say probably 3 primary issues came up. 1. We had to have a system in place that could legitimately count that so that's why we were working so diligently on SAIS; 2. High school districts, were quite frankly, maybe overly candid at the time about that they would lose significant amounts of money. Which brought the question, well how do you lose money? Because the kids aren't there. And so, that's the part of the discussion which led to did you have to look at all the funding, all the formulas of what were paying for kids; but ultimately, and I appreciate the opening, because I would have gotten around to making this pitch at some point. But moving to a system of current year funding would address a lot of the same issues that we're now talking about in minutia. While we may disagree on moving to a current year system, over a prior year system (except for the charter schools which are already on current year); I think we probably all agree that School Finance is friendly quad-system that is kind of held together by bailing wire, band-aids, and Elmer's glue—

(Ruth) Thanks to the fine people at the A.D.E (laughter, onset of random indistinguishable discussion).

(Jay) I wouldn't even go that far. Obviously, there are a couple of Title 15's around here and every year it changes to adapt/address this issue or that issue. So you've got growth formula funding, you've got rapid-decline funding; you've got things outside the revenue-control limit; all the (hearsay?) and all those kinds of discussions; all those different things that are going on. So, I think part of the issue is fear of change and hopefully, I'd like at some point, maybe in a venue like this, to try to put aside some of the history and maybe talk about how do we move forward. Make a better, less complex, more intuitive system. Because again our constituents; parents, etc, they don't have an understanding of how everything works. I tried to have this conversation with my wife about prior year funding (laughter), 100th day counts and stuff like that and I can tell you she was not overly interested. But those are the two (conflicts?).

(Male) We asked that question of our principals, and most of our principals could not calculate 100 day funding; ADM; and how it all (??), and it is kind of something that's out there that nobody really knows.

(Karla) Well, now, take that to legislature (and with the turnover?); 50% which are brand new. And I'll tell you I've doing this for a long time and if it wasn't for JLBC, I'd be lost. I will say one thing, we meet every year in the budget (??). We have talked about going to current year funding or even an extended year going to a 120 day count. What really became apparent last year is that the only districts that are really being funding on prior year are the

districts between 1 and 5% decline. If you're greater than 5% you're getting rapid decline. If you're growing, you're getting growth. So it's really a pretty small niche of districts that would be affected, but a lot of them are rural Arizona and rural legislators. (I want to be very ??? with that).

On the dual enrollment, I spent a lot of time actually with the Deer Valley Charter principal; about 2 hours we talked about this. And I've gotta tell you there are a lot of legislatures that would be very sympathetic to this issue generally because of our finance system. Our finance system is not conducive to parent choices. Even within the public school system. And with the advent of the virtual academy's that brings that debate to a whole new level. A couple of cautions. And I'm trying to figure out how to say it....When we approach this debate, what we're really saying is that a lot of the students probably were being double counted but I just think (SAIS has brought it to them?). So it's just one thing to be cautious about; things that you will hear from the legislature. The second one is, the 4-subject rule. Remembering that a lot of legislatures are brand new; I think you will find (and this is Karla's opinion) a lot of surprise among legislators and outsiders as well; to know that some of the block schedules now what a parents would consider as a half day is actually a full ADM. So, I would just caution you that this is one thing to consider. You will get a lot of shock to find out that a half of a day in their mind; which would be two blocks I think in block schedules; is actually a full ADM. When the legislature or an outsider thinks of full ADM they think of a full day ADM when they were back in school; that 9-3, whatever that is. So, just a couple of parameters for you to think about. (Onset of random, indistinguishable discussion)

(Karla) I'm here to help provide what you might hear at the legislature but I don't (??)

(Ruth) And we may be treading on some ground?

(Karla) But it's a very worthwhile issue and I will tell that it is a hot issue. Especially dual enrollment. All of you have brought to the forefront the problems with dual enrollment. Everything that we've been talking about so it's a very valid issue, I'm not discouraging that at all.

(Ruth) We wouldn't let you.

(Lyle calls on Sally)

(Sally) Well, it's just more of the same; if we're truly about trying to keep our kids in school; trying to increase our graduate rate it seems like the carrot needs to be; or the money needs to be placed in that box. And if it causes High Schools to promote seniors to go to school all day long, so be it. You know, that's not a bad thing. But the idea of just the 100th day and then after the 100th day it not being important; I don't think that fits in with the goal of trying to increase our graduation rate.

(Male) How is it that we're having these problems with dual enrollment if we were required to have withdrawal slips? Shouldn't the schools that receive students say "show me the withdrawal slip from your former school, then you can enroll here?" Or is it because some schools are so needy for the ADM that there not going to (??) lose those kids and would rather work with kids that are concurrently enrolled?

(Kevin Price) In response to that, that's one way of looking at this dual enrollment problem; [but] I don't think that's really the issue; the biggest issue. The biggest issue is we have parents that have bright kids or whatever; or they're motivated, for whatever reason, to get through high school quicker. So, they go to one of our high schools for 6 hours/6 periods as a full day. For whatever reason they now want to go take an online Internet course. So it's dual enrollment not because of somebody playing with the books or trying to manipulate the system. It's our parents and kids that are finding ways of getting through the system quicker that I think is the real dual enrollment issue. Yes, there are probably some problems with dual enrollment as far as funding, but the question that I keep raising is; you know, it takes 21 credits in the state of Arizona to graduate. If a kid does it in 2 years but is paid for 4 years; we either call it a hit up front(??). But for every kid that does that, there's another kid out there that's going to take 6 years to get to 21. So, I think the biggest thing is fear of change. I do it a lot with the ADM at Mesa Public Schools. And Mesa may be one of those that are raising the issue about fear of losing funding. Because after about the 120th day when get into Spring, you see your attendance going down. Well, I could have a fear about the AZ state fair. Because I can look at our attendance and not know the date of the fair but I can tell you when it starts; because our attendance goes [down] drastically. I can tell you the day it starts just by looking at attendance. So, how do we get past those fears? It's a big thing and it's a matter of looking at all of them if you're going to go down that road. It's just a matter of looking at all that stuff.

(Ruth) Last comment.

(Female) Also, I wanted to know if these were issues that are further along than just Arizona; but we're talking about Federal level such as AYP, Graduation rate, and we have no control over the issues that they designate as a graduate. You have schools here that have drop in problems, not drop out problems. Kids are choosing to go to school more than they did before. Yet, they're considered not meeting AYP because the kid is there for 5 years. We need to; is there any way we can come up with a stance or take it to the next level? Because Arizona supports, you know, drop-in and a drop out column; the verbiage that you go to the next level.

(Ruth) Let me make sure--there's interest in knowing if there is the best way to go; if there's interest in developing that kind of message to Congress? One would be to ask the Legislature to correspond, in a resolution to Congress, with regard to this issue. And if they were to have such a resolution it would be forwarded on behalf of the Arizona Legislature to Congress; and the other is to ask the Superintendent to participate as well. I can't tell you what his response would be to that because that's something that we would have to bring to him. And it would depend a lot on what the verbiage was. But the answer to your question is yes, if this committee wants to move forward with something like that.

(Ruth) Ok, last, last comment.

(Karen) Can we add to the agenda for next time, SDER? I mean it's a screwy little thing sitting out there that calculates our Teacher Experience Index (TEI). But when we're all expected to sit there and report crossing guards and all these other people... I don't know [what] the relevance to the Department is for that. So I'd be interesting in hearing more on that perspective.

(Ruth) Whatever is relevant to you is relevant to this committee.

Call to the Audience

(Ruth calls to audience) Is there anyone in the audience that would like to address the committee? We do appreciate your coming very much. [No response from audience].

Closing Remarks

(Ruth) We have some homework for the next committee meeting which will be November 15th. My understanding is that it will be at the ADE (various members correct Ruth statement regarding the next meeting date. Correct date is December 13th.)

(Ruth) You all know when the next meeting is, since you read it correctly. Since the ADE will be providing food it will be cookies from Basha's and water (laughter). Kevin [Price], we'll hope to have a subcommittee report from your dual subcommittees; and Lyle will have something to put on the table with regard to CEC's for discussion. Other agenda items include: the dual enrollment issue; the drop in issue; Sally-the 100th day count and the formula in general issue; and then SDER. If there is anything else that you might want us to consider, please feel free to email Lyle, Ralphie, Phil—anybody but me! (laughter).

(Ruth) Ralphie will take care of it; please feel free to email Ralphie.

(Jay) One quick question, (??) I know that the Superintendent, at one time, was looking at a capital finance committee, is that an ongoing process or has that just kind of come to an end?

(Ruth) It's sadly, very sadly, come to an end.

(Jay) I just figured you stopped inviting me (laughter). (Onset of random, indistinguishable discussion).

(Ruth) Lyle and I thank you very, very much. Ralphie, again, thank you. Phil and Maggie and Candy and Vicki and Art and all of you. Thank you so very much for taking your very valuable time to join us.

(Ruth) Yes, leaving your [name] tags would probably be a very good idea, or if you want to take your tag, put them in a good safe place.

Meeting adjourned at 3:25 p.m.

Addendum (12/16/04)

The October 2004 meeting minutes were approved by SFAC members on Monday, December 13, 2004.